

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
)	
W. R. Grace & Co. <u>et al.</u> ¹ ;)	Case No. 01-01139(JKF)
)	Jointly Administered
Debtors.)	

Objection Deadline:
January 8, 2004 at 4:00 p.m.
Hearing date: To be scheduled only
if objections are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

FTI Policano & Manzo ("FTI"), Financial Advisors to the Official Committee of Unsecured Creditors (the "Committee") of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served the Thirty-First Interim Application of FTI, Financial Advisors to the Committee, for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses incurred for the period October 1, 2003 through

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

October 31, 2003, seeking compensation in the amount of \$75,036.00 and reimbursement for actual and necessary expenses in the amount of \$1,282.62 (the "Monthly Fee Application").

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **January 8, 2004 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the Affected Professional and each of the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale, 399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755), and Mark Hurford, Esquire, Campbell &

Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins , Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: Frank J. Perch, Esquire, 844 N. King Street, Wilmington, Delaware 19801 (fax number 302-573-6497); and (viii) the Fee

(REMINDER OF PAGE INTENTIONALLY LEFT BLANK)

Auditor, to Warren H. Smith, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul,
Suite 4080, Dallas, TX 75201.

Dated: Wilmington, DE
December 19, 2003

RESPECTFULLY SUBMITTED,

/s/

Michael R. Lastowski, Esq. (DE I.D. No. 3892)
DUANE MORRIS LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801
Telephone: (302) 657-4900
Facsimile: (302) 657-4901
E-mail: mlastowski@duanemorris.com

William S. Katchen, Esquire (Admitted in NJ Only)
DUANE MORRIS LLP
One Riverfront Plaza
Newark, New Jersey 07102
Telephone: (973) 424-2000
Facsimile: (973) 424-2001
E-mail: wskatchen@duanemorris.com

and

Lewis Kruger, Esquire
STROOCK & STROOCK & LAVAN LLP
180 Maiden Lane
New York, New York 10038-4982
Telephone: (212) 806-5400
Facsimile: (212) 806-6006
E-mail: lkruger@Stroock.com

Co-Counsel for the Official Committee of Unsecured Creditors
of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X

In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

Name of Applicant:	FTI Policano & Manzo
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 21, 2001
Period for which compensation and reimbursement is sought:	October 1, 2003 through October 31, 2003
Amount of Compensation sought as actual, reasonable and necessary (80% of \$75,036.00):	\$60,028.80
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$1,282.62
This is an: <u> X </u> interim <u> </u> final application	

The total time expended for fee application preparation activities is approximately 15.3 hours and corresponding compensation requested is approximately \$3,063.60 (80% of the fees incurred of \$3,829.50). The time expended totaled approximately 8.5 hours spent on preparation of the thirtieth monthly interim fee application and the quarterly fee application, including 6.8 hours spent by a paraprofessional assisting in preparation of the applications.

This is the THIRTY-FIRST application filed. Disclosure for prior periods and current period is as follows:

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

**ATTACHMENT A
TO FEE APPLICATION**

Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
June 28, 2001	April 20, 2001 through April 30, 2001	\$16,008.00	\$667.95	\$12,806.40 (80% of requested fees)	\$667.95
June 28, 2001	May 1, 2001 through May 31, 2001	\$104,081.50	\$2,513.09	\$83,265.20 (80% of requested fees)	\$2,513.09
July 28, 2001	June 1, 2001 through June 30, 2001	\$75,916.00	\$3,913.13	\$60,732.80 (80% of requested fees)	\$3,913.13
August 28, 2001	July 1, 2001 through July 31, 2001	\$71,989.50	\$3,871.54	\$57,591.60 (80% of requested fees)	\$3,871.54
September 28, 2001	August 1, 2001 through August 31, 2001	\$70,425.00	\$1,092.45	\$56,340.00 (80% of requested fees)	\$1,092.45
October 30, 2001	September 1, 2001 through September 30, 2001	\$104,816.50	\$3,028.40	\$83,853.20 (80% of requested fees)	\$3,028.40
November 29, 2001	October 1, 2001 through October 31, 2001	\$42,643.00	\$3,670.86	\$34,114.40 (80% of requested fees)	\$3,670.86
December 28, 2001	November 1, 2001 through November 30, 2001	\$50,048.50	\$1,864.72	\$40,038.80 (80% of requested fees)	\$1,864.72
January 28, 2002	December 1, 2001 through December 31, 2001	\$53,986.50	\$1,005.29	\$43,189.20 (80% of requested fees)	\$1,005.29
February 28, 2002	January 1, 2002 through January 31, 2002	\$63,207.00	\$2,549.70	\$50,565.60 (80% of requested fees)	\$2,549.70
March 28, 2002	February 1, 2002 through February 28, 2002	\$27,249.50	\$1,874.43	\$21,799.60 (80% of requested fees)	\$1,874.43

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

**ATTACHMENT A
TO FEE APPLICATION**

Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
April 28, 2002	March 1, 2002 through March 31, 2002	\$106,680.50	\$1,919.09	\$85,344.40 (80% of requested fees)	\$1,919.09
May 29, 2002	April 1, 2002 through April 30, 2002	\$102,314.00	\$4,657.40	\$81,851.20 (80% of requested fees)	\$4,657.40
June 28, 2002	May 1, 2002 through May 31, 2002	\$50,027.00	\$2,207.14	\$40,021.60 (80% of requested fees)	\$2,207.14
July 29, 2002	June 1, 2002 through June 30, 2002	\$43,359.00	\$1,381.59	\$34,687.20 (80% of requested fees)	\$1,381.59
August 31, 2002	July 1, 2002 through July 31, 2002	\$23,895.50	\$473.91	\$19,116.40 (80% of requested fees)	\$473.91
September 30, 2002	August 1, 2002 through August 31, 2002	\$76,092.50	\$1,264.23	\$60,874.00 (80% of requested fees)	\$1,264.23
October 31, 2002	September 1, 2002 through September 30, 2002	\$45,079.00	\$43.14	\$36,063.20 (80% of requested fees)	\$43.14
November 30, 2002	October 1, 2002 through October 31, 2002	\$46,633.50	\$256.76	\$37,306.80 (80% of requested fees)	\$256.76
December 31, 2002	November 1, 2002 through November 30, 2002	\$44,622.50	\$824.96	\$35,698.00 (80% of requested fees)	\$824.96
January 31, 2003	December 1, 2002 through December 31, 2002	\$42,335.00	\$34.69	\$33,868.00 (80% of requested fees)	\$34.69
February 28, 2003	January 1, 2003 through January 31, 2003	\$71,517.00	\$831.54	\$57,213.60 (80% of requested fees)	\$831.54

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Requested			
		Fees (100%)	Expenses (100%)	Fees	Expenses
March 28, 2003	February 1, 2003 through February 28, 2003	\$131,416.50	\$2,264.79	\$105,133.20 (80% of requested fees)	\$2,264.79
April 30, 2003	March 1, 2003 through March 31, 2003	\$94,355.00	\$769.04	\$75,484.00 (80% of requested fees)	\$769.04
May 31, 2003	April 1, 2003 through April 30, 2003	\$39,810.00	\$133.70	\$31,848.00 (80% of requested fees)	\$133.70
June 30, 2003	May 1, 2003 through May 31, 2003	\$70,371.00	\$847.39	\$56,296.80 (80% of requested fees)	\$847.39
July 31, 2003	June 1, 2003 through June 30, 2003	\$62,684.00	\$408.81	\$50,147.20 (80% of requested fees)	\$408.81
August 31, 2003	July 1, 2003 through July 31, 2003	\$61,294.00	\$780.87	\$49,035.20 (80% of requested fees)	\$780.87
September 26, 2003	August 1, 2003 through August 31, 2003	\$90,447.50	\$1,312.37	\$72,358.00 (80% of requested fees)	\$1,312.37
October 24, 2003	September 1, 2003 through September 30, 2003	\$97,227.50	\$1,464.59	\$77,782.00 (80% of requested fees)	\$1,464.59
December 1, 2003	October 1, 2003 through October 31, 2003	\$75,036.00	\$1,282.62	\$60,028.80 (80% of requested fees)	\$1,282.62

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

**ATTACHMENT B
TO FEE APPLICATION**

Name of Professional Person	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
S. Joffe	\$625	3.5	\$2,187.50
E. Ordway	\$595	8.5	\$5,057.50
S. Cunningham	\$550	35.8	\$19,690.00
C. Whitney	\$425	2.0	\$850.00
L. Hamilton	\$375	112.9	\$42,337.50
J. Schwendeman	\$350	5.0	\$1,750.00
M. Hakoun	\$165	11.9	\$1,963.50
N. Backer	\$ 75	16.0	\$1,200.00
Grand Total:			
Blended Rate:	\$384	195.6	\$75,036.00

COMPENSATION BY PROJECT CATEGORY

Task Code	Project Category	Total Hours	Total Fees
2	Business Analysis	0.0	\$0.00
3	Corporate Finance	23.8	\$10,570.00
4	Data Analysis	128.9	\$51,350.50
8	Case Administration	9.2	\$690.00
9	Claims Analysis (Asbestos)	1.2	\$714.00
11	Creditors Committee	5.3	\$2,381.50
12	Employee Benefits/Pension	8.4	\$3,304.00
16	Fee Applications, Applicant	15.3	\$3,829.50
	Total	195.6	\$75,036.00

THIRTY-FIRST INTERIM APPLICATION OF FTI POLICANO & MANZO,
 FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
 CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
 RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM OCTOBER 1, 2003 THROUGH OCTOBER 31, 2003)

EXPENSE SUMMARY

Expense Category	Total Expenses
Copies	\$438.15
Facsimiles	\$1.00
Telecommunications	\$219.03
Postage, Express Delivery	\$44.58
Travel Expenses	\$0.00
Tolling Charges	\$579.86
Total	\$1,282.62

Invoice

W.R. GRACE & CO. ET. AL.
 Summary of Fees by Professional
 For the period October 1, 2003 through October 31, 2003

	<u>Total Hours</u>	<u>Billing Rate</u>	<u>Amount</u>
S. Joffe	3.5	\$ 625	2,187.50
E. Ordway	8.5	\$ 595	5,057.50
S. Cunningham	35.8	\$ 550	19,690.00
C. Whitney	2.0	\$ 425	850.00
L. Hamilton	112.9	\$ 375	42,337.50
J. Schwendeman	5.0	\$ 350	1,750.00
M. Hakoun	11.9	\$ 165	1,963.50
N. Backer	16.0	\$ 75	1,200.00
TOTAL	<u>195.6</u>		<u>\$ 75,036.00</u>

Invoice

W.R. GRACE & CO. ET. AL.

Summary of Hours by Category

For the period October 1, 2003 through October 31, 2003

Rate	Fees Per Professional	Business Analysis	Corporate Finance	Data Analysis	Case Administration	Claims Analysis/Objections/ Administration (asbestos)	Creditors Committee	Employee Benefits/ Pension	Fee Applications, Applicant	TOTAL
Task Code		2	3	4	8	9	11	12	16	
\$ 625	\$ 2,187.50 S. Joffe	-	\$ -	\$ 2,187.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,187.50
\$ 595	\$ 5,057.50 E. Ordway	-	-	3,451.00	-	714.00	119.00	416.50	357.00	5,057.50
\$ 550	\$ 19,690.00 S. Cunningham	-	5,170.00	13,420.00	-	-	1,100.00	-	-	19,690.00
\$ 425	\$ 850.00 C. Whitney	-	-	850.00	-	-	-	-	-	850.00
\$ 375	\$ 42,337.50 L. Hamilton	-	5,400.00	29,925.00	-	-	1,162.50	2,887.50	2,962.50	42,337.50
\$ 350	\$ 1,750.00 J. Schwendeman	-	-	1,750.00	-	-	-	-	-	1,750.00
\$ 165	\$ 1,963.50 M. Hakoun	-	-	1,963.50	-	-	-	-	-	1,963.50
\$ 75	\$ 1,200.00 N. Backer	-	-	-	690.00	-	-	-	-	1,200.00
\$	\$ 75,036.00 Totals	-	\$ 10,570.00	\$ 51,359.50	\$ 690.00	\$ 714.00	\$ 2,381.50	\$ 3,304.00	\$ 3,829.50	\$ 75,036.00

Invoice

W.R. GRACE & CO. ET. AL.

Summary of Hours by Category

For the period October 1, 2003 through October 31, 2003

Rate	Fees Per Professional	Task Code	Business Analysis (Business Plan)	Corporate Finance (Acquisitions)	Data Analysis	Case Administration	Claims Analysis/Objections/ Administration (asbestos)	Creditors Committee	Employee Benefits/ Pension	Fee Applications, Applicant	TOTAL
\$ 625	\$ 2,187.50	S. Joffe	0.0	0.0	3.5	0.0	0.0	0.0	0.0	0.0	3.5
\$ 595	\$ 5,057.50	E. Ordway	0.0	0.0	5.8	0.0	1.2	0.2	0.7	0.6	8.5
\$ 550	\$ 19,690.00	S. Cunningham	0.0	9.4	24.4	0.0	0.0	2.0	0.0	0.0	35.8
\$ 425	\$ 850.00	C. Whitney	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	2.0
\$ 375	\$ 42,337.50	L. Hamilton	0.0	14.4	79.8	0.0	0.0	3.1	7.7	7.9	112.9
\$ 350	\$ 1,750.00	J. Schwendeman	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	5.0
\$ 165	\$ 1,963.50	M. Hakoun	0.0	0.0	11.9	0.0	0.0	0.0	0.0	0.0	11.9
\$ 75	\$ 1,200.00	N. Backer	0.0	0.0	0.0	9.2	0.0	0.0	0.0	6.8	16.0
		Totals	0.0	23.8	132.4	9.2	1.2	5.3	8.4	15.3	195.6

Invoice

W.R. GRACE & CO. ET. AL.

Summary Descriptions of Tasks by Category*

For the period October 1, 2003 through October 31, 2003

<u>Task</u>	<u>Code</u>	<u>Total Hours</u>	
Business Analysis Corporate Finance	2	0.0	No activities were performed in this category during this period.
	3	23.8	During the Fee Period we continued to read and analyzed the Debtors' original and revised presentation materials regarding the proposed Galeras acquisition. We prepared a revised draft report thereon, which was discussed with the Committee chair and counsel. We also read and analyzed updated data concerning the Tricosal acquisition and prepared a report to the Committee thereon.
Data Analysis	4	132.4	During the Fee Period we read and analyze the Debtors' August operating report and related documents and prepared a report to the Committee thereon. We also prepared an analysis of the Fresenius settlement and related tax issues. We read and analyzed information concerning the KWELMB insurance settlement and prepared a report to the Committee thereon. We read and analyzed information regarding various other issues including the retention of a Sarbanes-Oxley advisor, hiring of a COO, and the Grace Italiana settlement, and prepared various summaries and reports thereon. Additionally, we read and analyzed information concerning the retention of C. Judson Hamlin as the future asbestos claimants representative and the possible recusal of Judge Wolin. We read and analyzed various news releases, court docket items and industry information regarding peer performance, taxes and other issues.
Case Administration	8	9.2	During the Fee Period a paraprofessional organized and distributed materials to the Committee, as well as downloaded and distributed various court docket items to case team members for further review. In addition, the paraprofessional continued to maintain our case-specific database of reports and court docket items.
Claims Analysis (asbestos) Creditors Committee	9	1.2	During the Fee Period, we read and analyzed various news articles and reports concerning case asbestos issues.
	11	5.3	During the Fee Period we discussed the status of various case issues with members of the Committee and counsel, including the Tricosal acquisition, the proposed Galeras acquisition, hypothetical recovery scenarios, the retention of a Sarbanes-Oxley advisor, the recusal of Judge Wolin and the proposed retention of C. Judson Hamlin as a futures representative.
Employee Benefits/Pension Fee Applications, Applicant	12	8.4	During the Fee Period, we updated LTIP summary information and analyzed information in connection with the hiring of a COO.
	16	15.3	During the Fee Period timekeeper Hamilton spent approximately 8.5 hours preparing the September and quarterly fee applications. A paraprofessional spent approximately 6.8 hours assisting in preparation of the fee applications.
Total		<u>195.6</u>	

* These descriptions are not intended to be all-inclusive. Please see individual professional time summaries for complete descriptions.

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Edwin N. Ordway, Jr.
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
1-Oct	9	Read memorandum from Navigant regarding status of asbestos litigation.	0.3
7-Oct	4	Read and analyzed memorandum regarding pending litigation in Italy.	0.2
10-Oct	4	Read and analyzed financial reporting package for August and prepared list of items for further review and investigation by staff.	0.9
14-Oct	4	Read motion regarding Owens Corning case seeking recusal of Judge.	0.3
17-Oct	9	Read and analyzed Navigant update report on asbestos reform.	0.2
17-Oct	9	Read and analyzed newspaper article addressing asbestos reform.	0.1
20-Oct	9	Read update memorandum from Navigant regarding negotiations regarding asbestos reform.	0.2
20-Oct	9	Read and analyzed memorandum from counsel regarding ZAI claimants summary judgment issues.	0.4
21-Oct	4	Read and analyzed summary of compensation for other Grace senior executives for comparison purposes.	0.5
21-Oct	4	Read COO compensation term sheet.	0.2
22-Oct	4	Prepared and edited memorandum regarding analysis of COO compensation arrangement and Committee recommendation.	0.7
23-Oct	4	Read counsel's memorandum regarding appointment of legal representative for future claimants.	0.2
23-Oct	4	Read resume for new COO.	0.1
24-Oct	4	Prepared near-term work plan and disseminated to staff.	0.4
27-Oct	4	Read and analyzed data regarding arrangements for new COO and advised colleague of comments to make on Committee call.	0.3
28-Oct	16	Read and edited fee data for auditor.	0.6

29-Oct	4	Prepared and edited list of tax issues prepared by staff.	0.5
29-Oct	11	Called Committee member to discuss new COO issues.	0.2
30-Oct	4	Read 3rd Quarter earnings release and prepared list of items for staff to further investigate.	0.5
30-Oct	4	Read memorandum from counsel regarding further future claims representative.	0.3
31-Oct	4	Read counsel memorandum regarding appointment of State Street as Trustee for stock on 401K.	0.2
31-Oct	4	Prepared and edited assumptions used in recovery analysis.	0.5
31-Oct	12	Prepared and edited summary of LTIP plan for distribution to the Committee.	0.7
Total Hours for October			<u><u>8.5</u></u>

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Sean Cunningham
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
2-Oct	3	Read and analyzed update to Tricosal acquisition analysis.	0.4
2-Oct	4	Read and analyzed Fresenius tax issue memorandum.	0.6
3-Oct	4	Read and analyzed August operational update.	0.9
3-Oct	3	Read and analyzed draft Tricosal report to the Committee.	0.6
6-Oct	4	Prepared analysis for Committee update regarding August results versus plan.	1.5
8-Oct	4	Read and analyzed information related to appointment of C. Judson Hamlin as Futures representative.	0.4
8-Oct	4	Read and analyzed information regarding silicosis issues.	0.6
8-Oct	4	Read and analyzed Grace Italiana settlement.	1.5
9-Oct	4	Continued to analyze August financial results.	2.1
13-Oct	3	Read and analyzed updated information regarding proposed Galeras acquisition.	2.4
14-Oct	3	Analyzed updated information regarding proposed Galeras acquisition.	1.6
15-Oct	3	Analyzed updated information regarding proposed Galeras acquisition.	3.4
17-Oct	3	Analyzed updated information regarding proposed Galeras acquisition.	1.0
20-Oct	4	Read and analyzed LTIP and other Grace contract provisions regarding COO.	1.1
21-Oct	4	Prepared analysis of competitor salary and benefit structures for COO/President positions.	2.4
22-Oct	4	Continued to prepare analysis of competitor salary and benefit structures for COO/President positions.	2.3

23-Oct	11	Discussed COO position with counsel.	0.2
23-Oct	4	Finalized COO comparative pay structures analysis.	2.3
27-Oct	4	Read and analyzed update regarding asbestos settlements.	0.9
27-Oct	11	Participated in call with Committee regarding COO position and other case issues.	0.6
28-Oct	4	Read and analyzed Debtors' earnings release for Q3.	1.3
29-Oct	4	Read and analyzed tax information and files in preparation for tax meeting with counsel.	2.5
30-Oct	11	Participated in Committee calls regarding objection to future claims representative.	1.2
30-Oct	4	Read and analyzed objection draft and update memorandum regarding future claims representative.	1.3
31-Oct	4	Prepared analysis of Q3 results versus Plan.	1.8
31-Oct	4	Updated hypothetical recovery assumptions.	1.0
Total Hours			<u><u>35.8</u></u>

Invoice

W.R. GRACE & CO. ET.AL.
Professional Services Rendered by Steven Joffe
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
1-Oct	4	Read and analyzed case materials in preparation for meeting with counsel and Debtors.	1.0
3-Oct	4	Read and analyzed case materials in preparation for meeting with counsel and Debtors.	1.0
15-Oct	4	Read and analyzed case materials in preparation for meeting with counsel and Debtors.	0.5
23-Oct	4	Read and analyzed case materials in preparation for meeting with counsel and Debtors.	1.0
	Total Hours		<u><u>3.5</u></u>

Invoice

W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Christina Whitney
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
28-Oct	4	Read and analyzed the Debtors' third quarter press release.	2.0
	Total Hours		<u><u>2.0</u></u>

Invoice

W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Libby Hamilton
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
1-Oct	4	Analyzed and prepared summary of Fresenius settlement tax issues.	2.6
1-Oct	3	Read and analyzed updated information provided by Debtors regarding Tricosal acquisition.	1.1
1-Oct	4	Prepared update to tax issues memorandum.	1.9
1-Oct	16	Prepared September fee application.	1.1
1-Oct	4	Read and analyzed August monthly operating report provided by Debtors.	1.3
2-Oct	4	Continued to read and analyze August monthly operating report.	4.2
2-Oct	4	Prepared report regarding August operations for distribution to the Committee.	3.8
2-Oct	11	Discussed state taxes, retention of Protiviti as Sarbanes-Oxley advisors, and other issues with counsel.	0.3
2-Oct	3	Discussed Tricosal acquisition updates with Debtors.	0.2
2-Oct	3	Prepared updated Tricosal acquisition memorandum and distributed to counsel.	0.9
2-Oct	4	Read and analyzed various court docket items.	0.6
3-Oct	4	Prepared report regarding KWELMB settlement and distributed to counsel.	3.6
3-Oct	11	Discussed state tax issues with counsel.	0.3
3-Oct	4	Read and analyzed Debtors' motion regarding retention of Sarbanes-Oxley advisor.	2.1
3-Oct	4	Read and discussed KWELMB motion with counsel.	0.4
3-Oct	4	Updated KWELMB memorandum to reflect counsel's comments.	0.6

6-Oct	4	Read and analyzed counsel's memorandum regarding KWELMB settlement.	1.1
6-Oct	4	Prepared update to August monitoring report.	4.3
6-Oct	3	Read and analyzed updated information provided by Debtors regarding Tricosal acquisition.	2.1
7-Oct	4	Prepared EBITDA trends chart for August monitoring report.	3.5
7-Oct	4	Prepared gross margin schedule for August monitoring report.	2.1
7-Oct	11	Discussed status of various case issues with counsel.	0.2
7-Oct	4	Read and analyzed counsel's memorandum regarding Grace Italiana proposed settlement.	0.6
7-Oct	4	Prepared year-to-date summary of sales, EBITDA and gross margin.	1.6
8-Oct	4	Finalized August monitoring report and prepared distribution to Committee.	3.6
8-Oct	11	Discussed various case issues with counsel.	0.2
8-Oct	4	Read and analyzed information pertaining to proposed appointment of C. Judson Hamlin as futures representative.	1.8
8-Oct	4	Read and analyzed information regarding silicas litigation issues.	1.4
8-Oct	11	Discussed Hamlin appointment with counsel.	0.1
8-Oct	4	Read and analyzed various court docket items.	0.4
8-Oct	16	Prepared quarterly fee application schedules.	0.5
9-Oct	4	Read and analyzed Fresenius settlement issues.	1.6
10-Oct	3	Analyzed updated Galeras acquisition information.	0.9
13-Oct	3	Read and analyzed updated Galeras acquisition model and related information provided by Debtors.	9.0
14-Oct	3	Prepared and distributed information to Committee regarding cancellation of Galeras acquisition.	0.2
15-Oct	4	Prepared information for report to Committee regarding proposed hiring of a COO by Debtors.	0.3
16-Oct	4	Read and analyzed various court docket items including items related to Hamlin and COO issues.	2.1

16-Oct	4	Read and analyzed information regarding possible recusal of Wolin in Owens-Corning case.	1.7
16-Oct	4	Read and analyzed hypothetical valuation model.	1.4
17-Oct	11	Participated in conference call with counsel regarding potential hiring of a COO by Debtors.	0.2
17-Oct	4	Read and analyzed information regarding hiring of COO.	1.0
20-Oct	4	Continued to read and analyze information regarding hiring of COO.	2.3
20-Oct	4	Prepared information request to Debtors regarding hiring of COO.	1.2
20-Oct	16	Prepared September fee application.	1.7
20-Oct	4	Read and analyzed recent court docket items.	0.4
20-Oct	4	Read and analyzed information regarding LTIP provisions for COO.	1.0
21-Oct	4	Continued to prepare September fee application.	2.1
21-Oct	4	Prepared update to tax information summary.	0.6
21-Oct	4	Discussed COO information request with Blackstone.	0.5
21-Oct	4	Prepared update to COO report to reflect conversation with Blackstone.	2.3
22-Oct	4	Read and analyzed current docket items including hearing agenda items.	0.4
22-Oct	4	Continued to update COO report.	0.6
23-Oct	4	Continued to update COO report.	1.0
23-Oct	11	Discussed updated COO report with counsel.	0.2
23-Oct	4	Analyzed potential tax effects of various transactions by Debtors.	1.6
23-Oct	4	Analyzed hypothetical recovery scenarios.	1.1
24-Oct	16	Prepared quarterly fee application.	3.5
27-Oct	4	Prepared for conference call with Committee regarding proposed hiring of a COO.	1.3
27-Oct	16	Continued to prepare quarterly fee application.	1.1
27-Oct	11	Participated in conference call with Committee regarding hiring of COO.	0.6

27-Oct	4	Prepared update to COO information to reflect conference call with Committee.	1.1
27-Oct	12	Updated LTIP information summary.	1.9
28-Oct	4	Read and analyzed EBITDA results reflected in Debtors' Q3 press release.	2.2
28-Oct	4	Prepared quarterly fee summary for fee auditor.	2.8
29-Oct	12	Continued to update LTIP summary.	5.8
29-Oct	4	Prepared summary tax information.	1.7
30-Oct	4	Read and analyzed objection filed by Committee regarding Hamlin appointment.	2.4
30-Oct	4	Prepared memorandum regarding Committee's objection.	1.8
30-Oct	11	Participated in Committee conference call regarding Hamlin objection.	1.0
30-Oct	4	Read and analyzed case disclosure information.	1.8
Total Hours			<u><u>112.9</u></u>

Invoice

W.R. GRACE & CO. ET. AL.
Professional Services Rendered by Jeffrey E. Schwendeman
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
2-Oct	4	Prepared analysis of recent news and industry trade reports relating to recent asbestos litigation negotiations for the Debtors and competitors.	1.1
2-Oct	4	Prepared analysis of recent operating results, economic releases and heavy construction/asbestos related industry releases for peer group comparison.	1.2
9-Oct	4	Prepared analysis of recent operating results, economic releases and heavy construction/asbestos related industry releases for peer group comparison.	0.9
9-Oct	4	Prepared analysis of recent operating results, economic releases and heavy construction/asbestos related industry releases for peer group comparison.	0.7
28-Oct	4	Prepared analysis of recent news and industry trade reports relating to recent asbestos and silicone litigation regarding the Debtors.	1.1
	Total Hours		<u><u>5.0</u></u>

Invoice

W.R.GRACE & CO. ET AL.
Professional Services Rendered by Matt Hakoun
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
3-Oct	4	Researched top consulting firms that specialize in Sarbanes Oxley consulting.	1.2
3-Oct	4	Researched and analyzed fee structure of Sarbanes Oxley consulting firms as disclosed in engagement letters filed with bankruptcy court.	2.0
13-Oct	4	Researched peer group companies that identify Chief Operating Officer (COO) title in their Proxy Statements.	1.5
13-Oct	4	Prepared financial summary of compensation package, options bonus and LTIP.	2.1
14-Oct	4	Expanded COO compensation analysis to include other chemical companies that identify COO in their Proxy.	0.8
14-Oct	4	Prepared financial summary of compensation package, options bonus and LTIP.	2.1
14-Oct	4	Added average and median calculations to each item, excluded W.R. Grace from calculation but compared averages to W.R. Grace totals.	0.7
23-Oct	4	Researched services and experience for identified management consulting firms.	1.5
Total Hours			<u><u>11.9</u></u>

Invoice

W.R.GRACE & CO. ET AL.
Professional Services Rendered by Nancy Backer (Paraprofessional)
For the period October 1, 2003 through October 31, 2003

<u>Date</u>	<u>Task Code</u>	<u>Description</u>	<u>Hours</u>
1-Oct	8	Downloaded and printed selected court docket items at the request of team members.	0.3
2-Oct	16	Processed professional fee application for September.	0.5
3-Oct	16	Processed professional fee application for September.	1.2
3-Oct	8	Prepared monthly distribution to Committee.	0.5
6-Oct	16	Prepared monthly distribution to Committee.	1.0
7-Oct	8	Updated docket database of most recent filings through Bankruptcy Court website.	0.2
7-Oct	8	Filed case documents received by team members.	0.3
8-Oct	8	Prepared monthly distribution to Committee.	2.5
9-Oct	8	Downloaded and printed selected court docket items at the request of team members.	0.7
10-Oct	8	Updated docket database of most recent filings through Bankruptcy Court website.	2.0
17-Oct	8	Prepared presentation of Debtors' organizational chart for team member.	0.5
17-Oct	16	Processed professional fee application for September.	1.3
21-Oct	8	Updated docket database of most recent filings through Bankruptcy Court website.	0.7
23-Oct	8	Downloaded and printed selected court docket items at the request of team members.	0.5
24-Oct	16	Processed professional fee application for September.	0.5
27-Oct	16	Prepared Quarterly Fee Application.	1.2
28-Oct	16	Processed professional fee application for September.	0.3

29-Oct	8	Photocopied and printed various case documents at the request of team member.	0.5
30-Oct	16	Proofread professional fee application.	0.8
31-Oct	8	Downloaded and printed selected court docket items at the request of team members.	0.5
Total Hours			<hr/> <hr/> 16.0

Invoice

W.R. GRACE & CO. ET. AL.
Summary of Expenses by Type of Expense
For the period October 1, 2003 through October 31, 2003

Copies:	
Internal	\$ 438.15
External	
Telecommunications:	
Telephone	219.03
Toll Charges	579.86
Facsimile	1.00
Postage, Federal Express, Airborne Express	44.58
Travel Expenses:	
Transportation, lodging, tolls, parking, mileage	-
Total Expenses	<u>\$ 1,282.62</u>

Invoice

W.R. GRACE & CO. ET. AL.
 Detail of Expenses by Type of Expense
 For the period October 1, 2003 through October 31, 2003

<u>Copies, Internal</u>	2,921 pp. @ .15 ea.	\$	438.15
<u>Facsimile Charges:</u>	1 pages @ \$1.00/page:		1.00
<u>Telephone Charges:</u>	Telephone	164.01	
	E. Ordway AT & T	31.60	
	E. Ordway	<u>23.42</u>	
			219.03
<u>Toll Charges:</u>	Online research fees and subscriptions	579.86	
			579.86
<u>Postage, Federal Express:</u>	Airborne Express 10/22/03	8.66	
	Airborne Express 10/22/03	35.92	
			44.58
<u>Transportation, lodging, tolls, parking and mileage:</u>		-	-
		<u>-</u>	-
<u>Total</u>			<u><u>\$ 1,282.62</u></u>